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Digitalisation – slowly moving up the social dialogue agenda?

DIGIQU@LPUB Policy Brief

Salvo Leonardi
Fondazione Di Vittorio (FDV)

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ABSTRACT

This Policy Brief contains the key findings and policy implications of a comparative analysis of the relationship between digitalisation and social dialogue in three public services (electricity production and supply, public administrations and public hospitals) in eight EU Member States. A diversified landscape emerged, reflecting the variety of industrial relations systems, not only across countries, but also across the three sectors, and even within each of them. The legal status of employment relationships (private vs. public) is of great importance, as are the presence or absence of a national and/or sectoral level of collective bargaining, the degree of unionisation, and the quality of worker involvement and collective negotiation in the workplace. National and sectoral unions have an overall favourable view of the ongoing digital transition, although there is no lack of concern regarding its implicit risks for employment, work organisation, privacy and union rights. With explicit references to digitalisation remaining scarce in collective agreements, an informal search for solutions and the practice of information and consultation seem to prevail. In terms of policy, the unions recommend a holistic approach at both national and EU level, focused on guaranteeing individual and collective rights, lifelong learning, and the joint monitoring of the ongoing changes. Union strategies require new internal approaches, competences, tools and forms of organising in order to better grasp the representation needs of workers, especially when teleworking undermines their collective voice.

1. AIMS OF THE PROJECT AND METHODOLOGY

This Policy Brief presents the key messages and policy implications of the cross-country and cross-sectoral analysis carried out as part of a European project on '*The impact of digitalisation on job quality and social dialogue in the public services*' (DIGIQU@LPUB). Promoted and coordinated by the Brussels-based thinktank European Social Observatory (OSE) and funded from the European Commission budget line '*Improving Expertise in the field of Industrial Relations*', the study covers eight EU countries – Denmark, Finland, France, Germany, Hungary, Italy, Poland, and Spain – and three sectors and services: public electricity production and supply services (hereafter electricity sector), public administrations sector (national, regional and local levels) and public hospital and health services (hereafter hospital sector).

One of the main purposes of the project was to raise awareness among trade unions and decisionmakers about the consequences of the digital transition in three important public services ([1]). One of the project's stated aims was to enrich the debate among social partners and to provide guidance on this epochal topic, through policy recommendations to both European and national stakeholders, on suitable ways to address the digital transformation of work.

Our key starting questions pertaining to social dialogue were the following:

- How does the digital transformation of work impact traditional industrial relations stakeholders and systems and, at the same time, what role do these systems play in the digital transformation? In other words: how do they influence each other?

- To what extent is digitalisation gaining a growing role and importance in public-sector social dialogue and collective bargaining?

- Which trade union approaches and priorities are better able to address the impact of digitalisation on working life and conditions?

- Which recommendations can be addressed to national and EU stakeholders, drawing on the present research?

The research partners' assumption and starting point was that a well-established and multi-level system of social dialogue can foster socially responsible and sustainable use of new (digital) technologies.

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1. This Policy Brief on the impact of digitalisation on social dialogue practices goes hand in hand with another thematic Policy Brief on the findings concerning the impact of digitalisation on workers' job quality in the same countries and public services: Peña-Casas R. and Ghailani D. (2023) The pervasiveness of digitalisation and its ambivalent impacts on job quality of public services workers in the EU. DIGIQU@LPUB Policy Brief. OSE Working Paper Series, Briefing Paper No. 16, Brussels, European Social Observatory, September.

At the same time, social dialogue is and remains of paramount importance in order to prevent negative impacts of digitalisation on work, in all its individual and collective dimensions: employment (including staff cuts, technological unemployment and precarious jobs), job quality (surveillance, 'digital Taylorism', a blurring of the boundaries between work and life, exploitation, social isolation), and finally industrial relations (individualisation, de-unionisation, a shift in the management-labour balance of power).

Each of the eight national research teams worked with a common analytical framework to conduct their case studies and produce full-blown national reports. The national case studies were carried out using both desk analysis and field research.

Each national report was based on a broad and up-to-date literature review of social dialogue themes at both national level and in the sectors under scrutiny (electricity, public administration and hospitals). The case studies looked at different forms of social dialogue (collective bargaining, participatory rights, joint forums) and different levels (cross-sectoral, sectoral, company/plant/workplace). Collective agreements were scrutinised for references to digital issues, as were trade union documents relating to the strategies adopted to tackle this challenge. In a second step, the eight research teams undertook in-depth fieldwork, organising a number of interviews and focus groups. Typically, the respondents were trade union representatives – national and/or regional officials, workplace delegates or shop stewards – from the three sectors analysed.

The picture that emerged in each of the eight countries was extremely informative, detailed and rich with policy implications (see Section 3). Importantly, the national reports had a common structure, including the section devoted to the links between social dialogue and digitalisation.

We opted for a horizontal and transnational approach, organised into four clusters. These drew on the macro-regional clusters used in the international literature ([2]) (the Anglo-Saxon or Liberal model, represented by Ireland and Malta, did not feature in our study). Using this common classification of national industrial relations systems, our analytical presentation is based on the following four clusters:

• Nordic: Finland and Denmark

• Continental: Germany

• Southern: France, Spain and Italy

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2. Visser J. (2009) 'The quality of industrial relations and the Lisbon Strategy', in European Commission (2009) Industrial Relations in Europe 2008, Luxembourg: Office for Official Publications of the European Communities; Eurofound (2017) Mapping varieties of industrial relations: Eurofound's analytical framework applied, Publications Office of the European Union, Luxembourg.

- Central-Eastern: Poland and Hungary

This classification takes account of the different institutional frameworks; the relationship between the role of state interventionism and the degree of social partner autonomy; social dialogue traditions and practices; the predominant level, type of coordination and coverage of collective bargaining; union density rates; worker involvement and participation; and strikes and industrial unrest.

With this framework as a background, we tried to grasp – through desk research and fieldwork – trade unions' understanding of and approaches to the ongoing digital transition in the public services, focusing on their concerns, expectations and strategies at both the confederal and sectoral level, as the two are normally interrelated.

2. DIGIQU@LPUB KEY FINDINGS

Numerous points emerged from the extensive study conducted in the eight countries. While some applied to all eight cases, others were related to specific national contexts. We gathered sufficient empirical evidence to confirm the widespread assumption in industrial relations literature that '*institutions matter*', with their consequent variety of models ([3]).

2.1 Variations across countries

The following results emerge from the cross-country comparative analysis:

In Finland and Denmark, where union densities are some of the highest in the world, the three sectors under scrutiny are even more unionised than average. The two-tier collective bargaining system covers almost 100% of the sectoral workforce. Given this background, the digital transition of work is embedded in well-established social dialogue practices, both formal and informal. The ongoing digitalisation has not given rise to any particular controversies, although only a few aspects of digitalisation are directly addressed in sectoral collective agreements. Other issues are higher on employee and union agendas, including welfare state reform in Finland and some industrial unrest in Denmark among specific segments of the public-sector workforce, including hospital nurses. However, in both countries, the social partners seem to have faith in the capacity of their system of industrial relations, broadly based on social dialogue for a and informal cooperation at plant and workplace level, to successfully cope with the new challenges.

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3. Crouch C. (1994) Industrial Relations and European State Traditions, Oxford University Press; Ebbinghaus B. and Visser J. (1999) "When institutions matter: Union growth and decline in Western Europe, 1950–1995", *European Sociological Review*, Volume 15, Issue 2; Hall P. and Soskice D. (2001) *Varieties of Capitalism: The Institutional Foundations of Comparative Advantage*, Oxford: Oxford University Press.

In Germany, our example of the Continental model, the digital transition has progressed differently, at differing speeds and to differing extents in the three sectors. Trade unions appreciate the positive effects of the ongoing work transformations but are afraid of situations 'dictated' by market forces alone. They also have major concerns about data protection. Most collective agreements are concluded at a decentralised level, where workers' representatives have strong participatory rights. The issue of data protection is a major concern, very much discussed. The role played up to now by sectoral agreements is unsatisfactory from a trade union perspective. In general, digitalisation in Germany seems to be driven by top-down strategies, rather than integrated and comprehensive approaches.

In the three Southern European countries, the three public services are all very unionised, while collective bargaining coverage is almost 100%. Framework agreements and a two-tier collective bargaining system dominated by the sectoral level play a very important role, including in digitalisation issues. The basic approach of the trade unions is not to hinder digitalisation, as reflected in its relatively minor importance in collective agreements, where it is rarely referred to explicitly. While the main French trade union confederations approach and interpret the ongoing transition in different ways, the Spanish unions complain that they are barely involved. In Italy, unions are attempting to play the consultation and joint examination card, as set out in the collective agreements. In these three countries, apparently more so than in the other countries, sectors of the trade union movement express worries about and criticise the ongoing digitalisation, warning of negative consequences on employment, working conditions, quality of life, and union rights.

In the two Central Eastern European countries, the entire industrial relations system is weak. Despite some formal tripartism, state unilateralism prevails. Collective bargaining at sectoral and multi-employer level exists only in the electricity sector, where coverage is peculiarly high, whereas in hospitals and public administrations coverage levels are minimal (1-2%), with any collective agreements only existing at decentralised level. In all three sectors, digitalisation and its effects are generally not addressed in collective bargaining, and do not feature among workers' and unions' priorities. The digital transformation is generally welcomed as an opportunity, albeit only when the workforce is well prepared. Great faith and emphasis are placed in continuing vocational education and training (CVET). However, the functioning of tripartite bodies needs to be improved, as does the consensual and preventive management of digital transformations of work.

2.2 Variations across sectors

In the cross-cutting analysis, we observed a wide range of practices. Within every national socio-economic and institutional framework, the specific characteristics of each of the three sectors matter. This is particularly true of the employees' legal status (enshrined in either private or public

law) in these three sectors, where the role of the state as an employer and any adverse impacts on the supply of essential services to citizens can be very significant.

2.2.1 Electricity sector

Two collective bargaining remits (in most cases industrial and multi-utility) and levels (national industry-wide and company) exist in all eight countries, with the exception of Spain and Germany where there are no national agreements covering the whole sector. Collective bargaining coverage is very high everywhere, peaking at between 90 and 100% in some countries, as in the two Nordic states, France, Spain, Italy, but also Poland. In Denmark, local negotiations play an influential role, but the general terms and conditions are still set by sector-based bargaining following the lead of the manufacturing industry. The weight of the once fully state-owned companies, although weakened by the liberalisation of the last 20 years, still influences employers' approaches and managerial cultures in countries such as France and Italy where sectoral industrial relations are highly structured. EDF (France), ENDESA (Spain) and ENEL (Italy) – in the industrial branch of the sector – are big multinational corporations, with strong and long-established good practices, also in transnational company agreements (TCAs).

The findings for the two Central Eastern European countries are striking, in that the electricity sector is one of the very few where the quality of industrial relations reaches levels similar to those of Western European countries. Backed by higher union density, widespread workplace representation and a two-tier collective bargaining system, multi-employer agreements achieve coverage significantly higher than the national averages.

The overall impression is that digitalisation is not yet a major issue addressed by collective bargaining, at least not explicitly in the agreements. In Denmark, shop stewards negotiate locally, with a key role played by the daily informal exchange of information, also on this topic. In Germany, where teleworking remains limited, trade unions complain of underperforming collective bargaining and codetermination, although the agreement on digitalisation for the federal government is the one example identified where the issue has been negotiated with a focus on employment protection and training. In France, consultation is rare and sectoral agreements do not cover teleworking or the right to disconnect, although some experiments are ongoing at company level, especially on teleworking and digital training. No sectoral collective agreement exists in Spain, where agreements are concluded at company level only. 'Agile' working is well regulated in Italy, at both sectoral and company level, with the adoption of a 'Statute of the person', emphasising work quality and employee wellbeing. Generally speaking, in all eight countries, the unions are calling for better regulation of teleworking – through both collective bargaining and employee involvement and participation – for more control over working time, the prevention of health and safety risks, and for a good work-life balance.

2.2.2 Public administrations sector

In public administrations, an employee's legal status, whether entirely and specifically rooted in public law or fully or partially enshrined in private law, is quite important, especially in some countries. In Poland and Hungary, from this point of view, civil servants are subject to the Labour Code and legislation, and are not permitted – or only to a strictly limited extent, de jure and de facto – to exercise key social rights such as the right to strike or collective bargaining. State and public administrations deliberate unilaterally on working conditions, with human resource management consultative forums the only possibility for employees and their representatives to make their voice heard. The situation is completely different in all the other countries studied, where public sector workers with private-law employment relationships usually have the right to strike and collective bargaining prerogatives. Collective bargaining coverage is usually 100% and the two tiers are centrally coordinated. Generally speaking, digitalisation has not been addressed in specific chapters or clauses in the collective agreements, even in countries where industrial relations are robust and forward-looking, as in Finland and Denmark. In Germany, where union density in the public administrations is much higher than the national average, the collective bargaining system is highly centralised and coverage is close to 100% (93%). However, the solutions adopted concerning the digital transition differ greatly between administrations. Although they do not play a central role in collective bargaining, framework agreements on teleworking have been signed in France and Spain, whereas Italy seems to be the only country where digitalisation has been addressed as important (in the June 2022 national collective agreement for the 'Central Functions' sector). With regard to trade union approaches and priorities, the Nordic unions have faith in their cooperative and consultative way of tackling workplace change. Rejecting the privatisation and outsourcing of public services, the German unions stress the issues of job security, the right to upskilling in the case of digital transformations, and 'good work' as a precondition for better services to users and citizens. Teleworking tops the agendas of trade unions in the three Southern European countries, where the aim has been to defend workers' rights and guarantee their working terms and conditions. In Poland and Hungary, while the digital transformation is not at the top of their agenda, unions have achieved general regulation of teleworking, making its voluntary nature clear and enforceable.

2.2.3 Hospital sector

In both Nordic countries, collective bargaining in this sector is centrally coordinated, boasts 100% coverage and is highly formalised in terms of consultation and cooperation. The sector is facing massive challenges, with severe staff shortages, and the bargaining agenda has been dominated by this question and how to improve pay and conditions. In this context, digitalisation as such is a secondary issue in collective bargaining. The situation in Germany reflects the sector's tri-partite structure (public, private, non-profit). In general, there is a low level of digitalisation in the hospital system, and the topic is not always explicitly mentioned in the agreements. In the three Southern European countries, the hospital system is increasingly decentralised, coming under the jurisdiction

of the regional authorities. This fragmentation affects the digital transition, as seen by the diversity of standards and practices. New digital systems are often decided on by hospital directors, with no real consultation or negotiations with employee representatives. The Covid-19 pandemic had a major impact on the sector, underlining the shortage of staff and unbearable workload following years of budget cuts. In the case of Italy, 'agile' work or teleworking is one of the topics most focused on in the new collective agreements.

In Poland, the hospital sector is state-regulated. Some consultation is formally allowed, whereas collective bargaining only takes place at hospital level, and thus covers a mere 2% of the workforce. Digitalisation is not a priority for the social partners, and the sectoral unions have moderate to no interest in it. In the Hungarian hospital system, collective bargaining is banned and there are no regular forums to discuss strategic issues. The unions are very much focused on calling for full recognition of fundamental union rights, appealing to the ILO to fight the violation of these rights. In this context, the digital transition is low on union agendas.

2.2.4 The three sectors in a nutshell

Summing up, of the three sectors investigated, the one with by far the highest level of similarities across the eight countries is the electricity sector. The main reason for this is that the West/Central-East divide is much less strong than in the other two sectors. In all eight countries, social dialogue and collective bargaining are autonomous and quite effective in terms of consistency (union density), the role of sectoral or multi-employer agreements, and collective bargaining coverage. Best practices were identified in several countries, also with regard to national industrial relations traditions in general, with unions more pro-active, collaborative and innovative in anticipating change. The opposite was true for the other two sectors, in which the West/Central East divide is much more pronounced. While in Western European countries, most key industrial relations indicators are comparable among public administrations, hospitals and other national sectors – with, for example, private-law employment relationships, relatively autonomous industrial relations and high levels of collective bargaining coverage – this is not the case at all in Poland and Hungary. In these two countries, employees' legal status and working conditions are entirely ruled by law and unilateral managerial decisions, severe restrictions and prohibitions apply, and collective bargaining is minimal and completely decentralised, or even fully absent.

One important finding of this study is that, across the countries and sectors under scrutiny, there were fewer references and quotations relating to the digital transformation of work and services than expected. Indeed, it is rare for the notion to be mentioned at all in collective agreements. It may be referred to in cases where the national industry-wide level is predominant, or in collective agreements at company or plant level. Where references to digitalisation exist in collective agreements, the most important and common issue to date is teleworking and, in particular, the

full maintenance of employee rights (both individual and collective), an acceptable work-life balance, ad hoc health and safety measures, the right to disconnect, and the right to sociability.

What is more widespread in most of the countries and sectors is the role of tripartite consultation and fora. Arrangements generally seem to be highly informal and unilaterally decided by management, as digitalisation is considered a sub-area of work organisation and therefore a prerogative of human resource management. In this context, trade union rights and powers, where not protected by law and/or social partner autonomy, may be at risk: this was a concern that emerged from most of the case studies, notably during the interviews and focus groups. This risk could occur as an effect of growing individualisation of employment relationships and by the social isolation of digital workers. Teleworking can indeed undermine employees' capacity to organise and act in defence of their rights. '*How can employees be reached by collective representation organisations when they have no fixed place of work? And how can co-determination be organised in such a company?*' asks the author of the German case study[4].

Not much attention seems to have been paid in social dialogue in the eight countries to the digital divide among citizens and users of the new platforms, mostly in relation to some key public services ([5]). This is especially the case in countries where the level of digital literacy remains inadequate and uneven, where elderly and less educated or technologically skilled people find it difficult to access new digitalised services, including vital provision such as health services. There are very real risks of new forms of social exclusion, as already identified by polls and surveys of people's daily life and experiences ([6]).

Several country reports emphasise that European social dialogue could play an important role in supporting social dialogue in the different countries under scrutiny, promoting negotiations between the social partners on matters related to digitalisation in the different areas and at various levels. This brings us to a set of policy implications drawn from the research.

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4.   Öz F. and Hamburg I. (2023) How digitalisation shapes job quality and social dialogue in Germany's public services. DIGIQU@LPUB project. OSE Working Paper Series, Research Paper No.58, Brussels: European Social Observatory.
5.   Although this is not expressed in the social dialogue, it was mentioned by several of the interviewees and focus group attendees as important as well, see Peña-Casas R. and Ghailani D. (2023) The ambivalent and ambiguous impacts of digitalisation on job quality of workers in public services in the European Union: the case of electricity production and supply, hospital, and public administration sectors. DIGIQU@LPUB project. OSE Working Paper Series, Research Paper No. 61, Brussels: European Social Observatory, September.
6.   Among others, see Rogers E.M. (2001) The Digital Divide, *The International Journal of Research into New Media Technologies* , Volume 7, Issue 4, December. According to a survey conducted by the Italian trade union CISL, 8 out of 10 elderly people, especially in some southern regions of the country, risk being excluded from digital services including crucial ones from the health and public administration sectors. Speaking about France, Serge Halimi stated in *Le Monde Diplomatique* that: '*Millions of people struggle with the barrier of digital bureaucracy, and the profile of the victims coincides with populations already abused by the social order: the elderly, agricultural workers, proletarians, young without training, prisoners, foreigners.*'

3. POLICY POINTERS AND RECOMMENDATIONS

Each of the eight national case studies concludes with a set of stimulating strategic recommendations for policymakers and stakeholders at national and EU level.

These proposals reflect the nuances and specific features of the national contexts as well as sectoral points of view.

Key policy pointers include the following:

- A holistic approach to the digital transition means guaranteeing both the quality of public services for all citizens, and the overall job quality of public-sector workers.

- Trade unions have a role to play in encouraging new levels of societal awareness and understanding of the challenges related to digitalisation.

- Both management and worker representatives need to take the reins in all phases of development (from design to evaluation), to identify workplace benefits and risks and to propose solutions.

- Social dialogue, collective bargaining, information & consultation, and participation must all play a key role in addressing the digital transformation.

- Collective agreements can establish minimum requirements to ensure equal opportunities and treatment, good working conditions, proper organisation of work, prevention of health risks, human control of artificial intelligence, and to promote social dialogue and trade union rights at different levels.

- Trade unions understand the need to develop the skills of worker representatives to negotiate technological change.

- Trade unions are aware of the need to adapt their organising techniques to ensure they reach and interact better with teleworkers and other workers using digital tools.

- Continued analysis is needed of the impact of the digital transformation on work processes in public services, with a particular focus on the effects on working conditions.

- At European level, trade unions and employers have an important role to play in helping their counterparts at national and local levels to jointly manage the digital transition. The 2020 European Framework Agreement on Digitalisation negotiated by the cross-sector social partners, as well as other sectoral initiatives – such as the 2022 agreement on digitalisation of the European sector social dialogue committee for central government administrations – can help promote collective bargaining around key issues, including health and safety, work-life balance, training and data protection.

FIND OUT MORE

Readers who want to find out more are invited to take a look at the more detailed deliverables of the DIGIQU@LPUB project on the project [website](#), notably:

- In-depth case studies in the eight Country reports, which include executive summaries.

- Two analytical reports which provide a cross-cutting analysis, covering the eight countries under scrutiny.

- Eight OSE Research papers discussing selected aspects of how digitalisation is affecting work and service quality in the electricity, public administration and healthcare sectors in Denmark, France, Finland, Germany, Hungary, Italy, Poland and Spain.

- A Policy Brief describing the main findings concerning the impact of digitalisation on workers' job quality.

- The country-specific results of the survey analysis.